

Message Text

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ACTION EA-06

INFO OCT-01 SS-14 ISO-00 EUR-08 NSC-05 NSCE-00 INR-05
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FM USLO PEKING
TO SECSTATE WASHDC 7954
INFO AMCONSUL HONG KONG
AMEMBASSY MOSCOW
AMEMBASSY TAIPEI

C O N F I D E N T I A L PEKING 1153

LIMDIS

E.O. 11652 XGDS-1
TAGS: PFOR, ETRD, US, CH, UR

SUBJ: SOVIET EMBASSY INTEREST IN PRC PURCHASE OF DEFENSE
RELATED MATERIAL

REF: PEKING 1095

1. SUMMARY. SOVIET EMBASSY OFFICERS ON TWO
OCCASIONS IN RECENT WEEKS HAVE CLOSELY QUESTIONED
USLO OFFICERS CONCERNING THE PURCHASE BY THE PRC
OF ARMS AND DEFENSE-RELATED EQUIPMENT FROM THE
U.S. AND WESTERN EUROPEAN COUNTRIES. BOTH
APPROACHES WERE MADE BY DEPUTY TRADE REPRESENTATIVES,
NEITHER OF WHOM PREVIOUSLY HAD BROACHED THE
SUBJECT TO US. END SUMMARY.

2. ON MAY 17 YURI PEREKHVALSKY, DEPUTY TRADE
REPRESENTATIVE, CALLED AT USLO TO RAISE SUBJECT
OF POSSIBLE U.S. WEAPONS SALES TO THE PRC. HE
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SAID HE THOUGHT SUCH A SALE VERY UNLIKELY
GIVEN U.S. EXPORT CONTROL REGULATIONS, BUT
HE HAD SEEN ARTICLE IN HONG KONG PRESS
DISCUSSING THE POSSIBILITY. USLO OFFICER
TOLD PERDKHVALSKY THAT THE U.S. HAS NO
PLANS TO SELL WEAPONS TO THE PRC, WHILE,
IN ANY CASE, PRC PROBABLY WOULD NOT WISH TO

BUY WEAPONS FROM THE U.S. PEREKHVALSKY AGREED, AND SAID HE THOUGHT IT MORE LIKELY THAT CHINESE ARMS WOULD COME FROM THIRD COUNTRIES. A FEW MINUTES LATER, PEREKHVALSKY STRESSED THE IMPORTANCE OF MAINTAINING BALANCE IN THE TRIANGULAR RELATIONSHIP BETWEEN THE U.S., USSR, AND THE PRC. (MEMCON POUCC DD).

3. ON JUNE 3, V.E. KULIKOV, DEPUTY TRADE REPRESENTATIVE QUESTIONED ANOTHER USLO OFFICER AT SOME LENGTH ABOUT CHINA'S INTEREST IN ACQUIRING WEST EUROPEAN AND U.S. ARMS AND DEFENSE-RELATED EQUIPMENT. HE REFERRED SPECIFICALLY TO THREE DELEGATIONS -- ONE FROM THE FRG AND TWO FROM SWITZERLAND - WHICH HAD RECENTLY VISITED PEKING. THE FIRST WAS THE SWISS FIRM OF BROWN-BOVERI WHICH ALLEGEDLY WAS DISCUSSING THE SALE OF SOPHISTICATED ELECTRONIC EQUIPMENT TO BE USED IN DEFENSE RELATED INDUSTRIES. THE SECOND WAS SWISS DELEGATION WHICH HAD VISITED PEKING TO EXPLORE THE POSSIBILITY OF SELLING SUCH WEAPONS AS ANTI-AIRCRAFT GUNS AND OTHER ARTILLERY. A THIRD GROUP, FROM THE FRG, WAS INTERESTED IN THE SALE OF LEOPARD TANKS TO THE PLA. USLO OFFICER REPLIED THAT HE HAD HEARD OF RECENT VISITORS FROM BROWN-BOVERI AND FROM SWITZERLAND, BUT THAT HE DID NOT KNOW THE NATURE OF THEIR CONFIDENTIAL

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DISCUSSIONS. AS FOR THE THIRD DELEGATION, HE SAID HE HAD HEARD NOTHING ABOUT SUCH A GROUP OR ABOUT THE SALE OF LEOPARD TANKS. KULIKOV COMMENTED THAT COCOM REGULATIONS UNDOUBTEDLY WOULD MAKE IT DIFFICULT FOR THE FRG TO SELL TANKS TO CHINA.

4. KULIKOV THEN SUGGESTED THAT THE U.S. "OF COURSE" WAS INTERESTED IN THE SALE OF WEAPONS TO CHINA, WITNESS THE VISIT LAST YEAR OF JAMES SCHLESINGER. IT IS OBVIOUS, ACCORDING TO KULIKOV, THAT CHINA WANTS ADVANCED WEAPONRY AND THAT THE U.S. MIGHT CONSIDER SELLING IT. WHY ELSE WOULD CHINA INVITE SCHLESINGER AND WHY ELSE WOULD SCHLESINGER ACCEPT? USLO OFFICER REPLIED THAT SCHLESINGER VISITED THE PRC AS A PRIVATE CITIZEN AND NOT AS A REPRESENTATIVE OF THE U.S. GOVERNMENT. LATER IN

THE CONVERSATION KULIKOV STATED THAT THE SOVIET UNION HAD A FIRM POLICY OF NOT SELLING ANY WEAPONS OR DEFENSE-RELATED EQUIPMENT TO THE PRC.

5. COMMENT: NEITHER KULIKOV NOR PEREKHVALSKY HAS PREVIOUSLY RAISED WITH US THE SUBJECT OF ARMS SALES TO THE PRC. IN THESE CONVERSATIONS THE SUBJECT WAS BROUGHT UP DELIBERATEDLY AND OBVIOUSLY WITH FORETHOUGHT.

6. A DELEGATION FROM BROWN-BOVERI HAD VISITED THE PRC RECENTLY, BUT WE DO NOT KNOW THE PURPOSE OF THE VISIT. THE SWISS DELEGATION REFERRED TO BY KULIKOV IS PROBABLY VISIT OF THE SWISS RESERVE OFFICERS IN LATE MARCH. THE SOVIET EMBASSY MAY ALSO HAVE HEARD OF PRC ACCEPTANCE
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OF A SWISS INVITATION TO PLA GROUP TO VISIT DEFENSE-RELATED FACILITIES (REFTEL). WE HAVE HEARD NOTHING ABOUT THE SALE OF FRG LEOPARD TANKS.
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